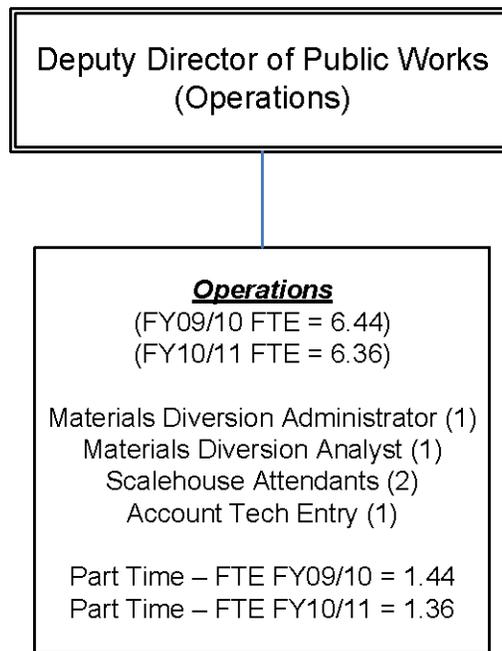


Solid Waste and Materials Diversion Fund

Fund Overview:

The Solid Waste and Materials Diversion Enterprise Fund is responsible for the collection, processing, public education and long-term planning related to solid waste materials generated in the City of Napa. Beyond the safe and cost-effective handling of solid waste materials, the fund's primary mission is to maximize the diversion of solid waste materials from landfill disposal in order to meet or exceed State mandates. To this end, the City owns the Napa Materials Diversion Facility (MDF).



Full Time Equivalent (FTE) Employees:

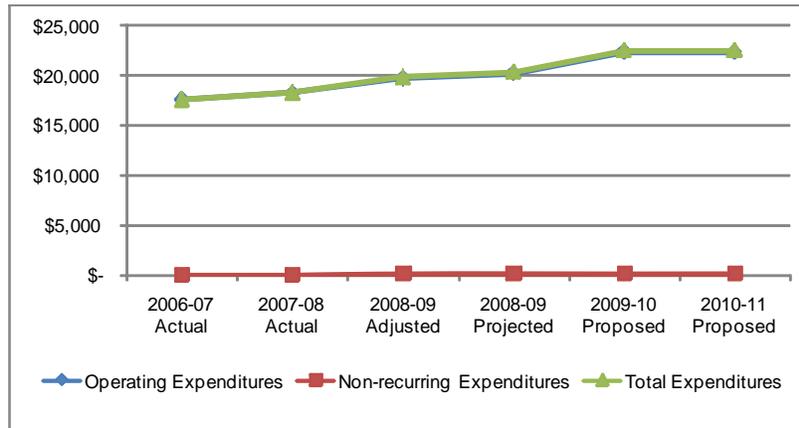
Position Category	2006-07	2007-08	2008-09	2009-10	2010-11
Full Time FTE	4.00	5.00	5.00	5.00	5.00
Part Time FTE	2.20	1.75	1.66	1.44	1.36
TOTAL MDF FTE	6.20	6.75	6.66	6.44	6.36

Solid Waste and Materials Diversion Fund

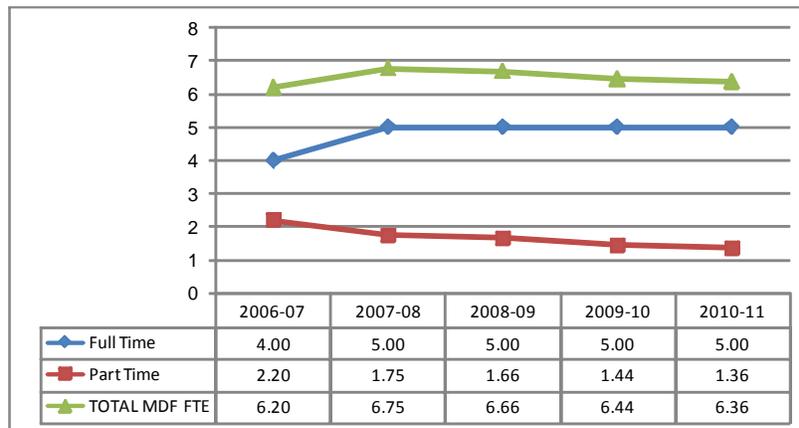
Major Accomplishments in Fiscal Years 2007-09:

- The City of Napa achieved a 53% (2006) and 59% (2007) landfill diversion rate.
- A complete fiscal policy for this fund was developed and adopted in 2008.
- Per the fiscal policy, reserve funding targets were established and fully funded.
- A “cost review” of NRWS was completed in 2008 that will apply to CY09 to CY11.
- A multi-year MDF capital maintenance and replacement plan was developed.
- The MDF applied for and received a five-year composting permit renewal in 2008.
- Very successful grants, e-waste collections and public outreach efforts continue.

Expenditure/Budget Trends (In Thousands):



Full Time Equivalent (FTE) Employees:



Solid Waste and Materials Diversion Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Intergovernmental	\$ 146,046	98,815	46,000	39,713	33,500	-27%	35,000	4%
Charges for Services	18,813,655	21,152,362	19,168,625	20,560,763	20,761,900	8%	22,070,351	6%
Interest on Investments	253,382	366,462	46,000	194,000	208,000	352%	212,000	2%
Miscellaneous Revenue	34,026	40,097	38,200	37,593	41,000	7%	42,200	3%
Revenues Total	19,247,109	21,657,736	19,298,825	20,832,069	21,044,400	9%	22,359,551	6%
Category Expenditure Summary								
Salaries and Wages	395,824	495,442	573,519	609,837	657,906	15%	678,920	3%
Materials and Supplies	14,637,440	15,230,390	16,131,031	17,098,366	17,603,700	9%	18,177,200	3%
Services	1,068,957	1,005,189	1,140,458	948,867	1,906,071	67%	1,269,944	-33%
Capital Outlay	28,220	105,000	420,000	88,000	30,000	-93%	32,400	8%
Debt Service	696,933	676,170	691,725	691,725	681,629	-1%	681,590	-
Operating Transfers Out	743,886	744,721	744,985	804,685	1,483,812	99%	1,505,827	1%
Operating Expenditures	17,571,260	18,256,913	19,701,718	20,241,480	22,363,118	14%	22,345,881	0%
Net Impact of Operations	\$ 1,675,849	3,400,823	(402,893)	590,589	(1,318,718)	227%	13,670	-101%
Nonrecurring Revenues	-	-	50,000	50,000	50,000	-	50,000	-
Nonrecurring Expenses	-	-	100,000	90,000	95,000	-5%	95,000	-
Net Impact of Nonrecurring	-	-	(50,000)	(40,000)	(45,000)	-10%	(45,000)	-
Net Contribution / (Use)	\$ 1,675,849	3,400,823	(452,893)	550,589	(1,363,718)	201%	(31,330)	-101%
Projected Fund Balance at June 30:		\$ 4,585,247		5,135,836	3,772,118		3,740,788	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Increase Operating Transfers Out due to contribution Street Resurfacing Fund to mitigate the impact of refuse and recycling vehicles on City residential streets.
- Increased Services category due to contractually required increased base contractor (NRWS) costs for 2009-2011 and anticipated impact of processing agreement with DRTS operator (Northern).
- Capital Improvements funded according to Capital Maintenance and Capital Replacement Plans.
- Revenue from Interest on Investments based on conservative returns due to economy. Adjusted Budget in 2008-09 underrepresented actual revenue.
- Increased Salary and Wages due to revised allocations for new/upgraded positions shared with other funds (Deputy Public Works Director, Finance Analyst and Accounting Technician).

Key Initiatives for Fiscal Years 2009-11:

- Complete negotiations with NRWS (MDF operator) and Northern (DRTS operator).
- Establish a fund contribution to repair impact of refuse vehicles on City streets.
- Maintain the flow of organic materials to MDF with improved composting system.
- Develop a comprehensive construction and demolition debris (C&D) ordinance.
- Review and seek innovative use of the MDF as a valuable public resource.
- Work with other City departments to explore and adopt a green purchasing policy.
- Proactively work with NRWS, Napa County, the Napa-Vallejo Waste Management Authority (NVWMA), the CIWMB and other agencies to meet or exceed AB 939.

Golf Fund

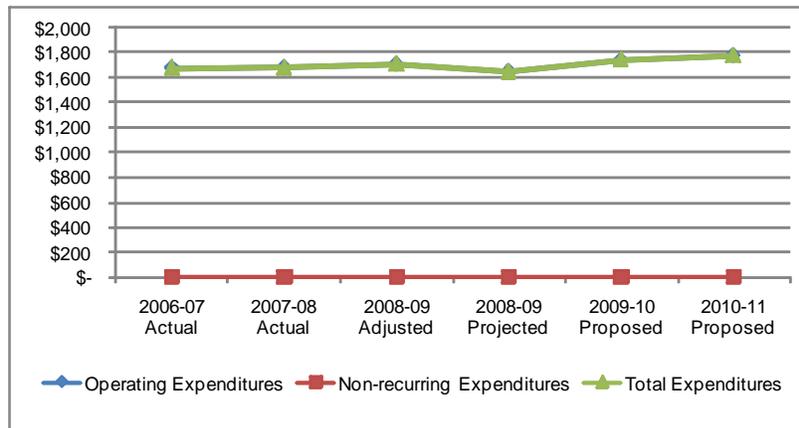
Fund Overview:

This fund supports the management and maintenance of the City-owned, 18-hole golf course at Kennedy Park in south Napa. The Municipal Golf Course amenities include a driving range, an electric golf cart facility, and a food and beverage service. Programs offered include tournaments, lessons, and clinics. Services include a pro shop, cart rentals, and facilities for banquets and weddings. Tee time can be booked online and discounts are offered for non-peak play times. Playnapa.com website advertises amenities, prices, and special events.

Major Accomplishments in Fiscal Years 2007-09:

- Replacement of an aging, on-course restroom, using a pre-fabricated building.
- Brought efficiencies to marketing and operations resulting in a positive fund balance.
- Negotiated a five-year extension to the management contract with CourseCo.
- Became compliant with EPA guidelines to use only electric powered golf carts, with a lease of new carts and the construction of a charging/maintenance facility.
- Established regular dialogue and review of operations and budget between the contract operator and City staff.

Expenditure/Budget Trends (In Thousands):



Golf Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Charges for Services	\$ 1,754,789	1,756,677	1,816,832	1,662,187	1,773,324	-2%	1,847,830	4%
Interest on Investments	2,294	5,869	-	-	7,050	-	8,460	20%
Operating Transfers In	-	120,000	-	-	-	-	-	-
Revenues Total	1,757,083	1,882,546	1,816,832	1,662,187	1,780,374	-2%	1,856,290	4%
Category Expenditure Summary								
Materials and Supplies	277,496	298,119	280,900	296,677	288,506	3%	294,276	2%
Services	1,249,199	1,220,801	1,393,943	1,319,816	1,387,868	0%	1,415,624	2%
Capital Outlay	128,887	156,697	10	-	-	-	-	-
Debt Service	-	-	30,600	30,600	30,600	-	30,600	-
Operating Transfers Out	17,799	-	-	-	30,140	-	31,045	3%
Operating Expenditures	1,673,381	1,675,617	1,705,453	1,647,093	1,737,114	2%	1,771,545	2%
Net Impact of Operations	\$ 83,702	206,929	111,379	15,094	43,260	-61%	84,745	96%
Nonrecurring Revenues	-	-	-	-	-	-	-	-
Nonrecurring Expenses	-	-	-	-	-	-	-	-
Net Impact of Nonrecurring	-	-	-	-	-	-	-	-
Net Contribution / (Use)	\$ 83,702	206,929	111,379	15,094	43,260	-61%	84,745	96%
Projected Fund Balance at June 30:		\$ 248,610		263,704	306,964		391,709	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Reduced revenue and expenditure budget for 2010 through 2011 to match the regional economic projections.
- Reduced FY 2009 year-end revenue projections based on current year trend.
- Increased 2010 and 2011 budget for operator management fee based on contract effective July 1, 2009.
- Budgeted for a five percent contingency-per-operator contract that reduces fund balance.

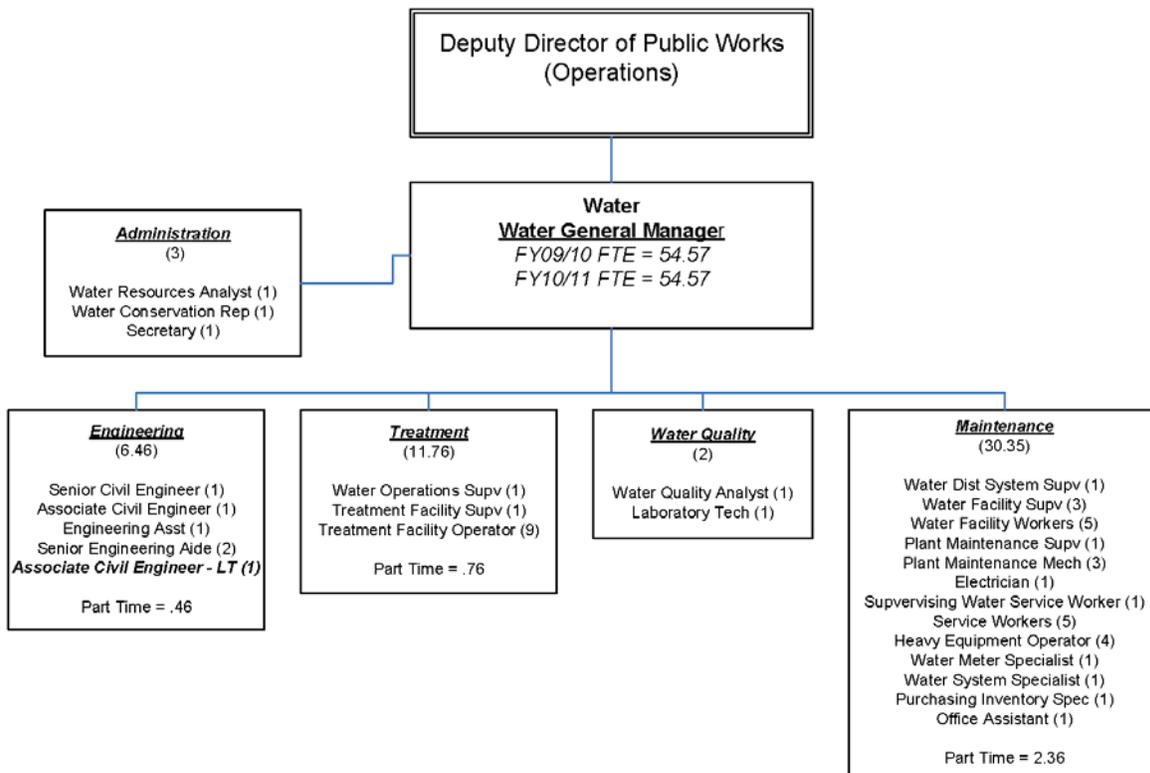
Key Initiatives for Fiscal Years 2009-11:

- Replace aging and inadequate mowing equipment to gain environmental efficiencies, decrease maintenance labor, and improve maintenance.
- Monitor market trends that change with economic indicators.
- Refurbish greens to increase drainage and playability.
- Remove trees that are interfering with the maintenance of the greens; replant trees in alternative locations.
- Complete the "Napa Golf Course Fiscal Operations" policy.

Water Fund

Fund Overview:

The Water Enterprise Fund is a restricted fund that supports the operation, maintenance and improvement of the municipal water system serving the City and adjacent areas. The City's Water Division provides an uninterrupted supply of high-quality and low-cost water to the community for consumption and fire protection. The Water Enterprise Fund sustains administration and engineering, treatment, and distribution sections, which deliver more than 17,000 acre-feet (six billion gallons) of water while meeting all State and Federal drinking water regulations, investing in capital improvements, planning for future water supply needs, responding to emergency repairs, and maintaining a proactive water conservation program.



Full Time Equivalent (FTE) Employees:

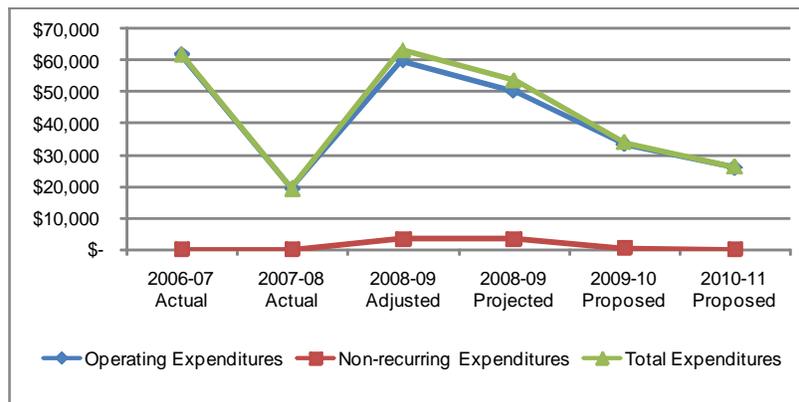
Position Category	2006-07	2007-08	2008-09	2009-10	2010-11
Full Time FTE	48.00	48.00	50.00	51.00	51.00
Part Time FTE	2.23	2.50	2.50	3.57	3.57
Total Water Fund FTE	50.23	50.50	52.50	54.57	54.57

Water Fund

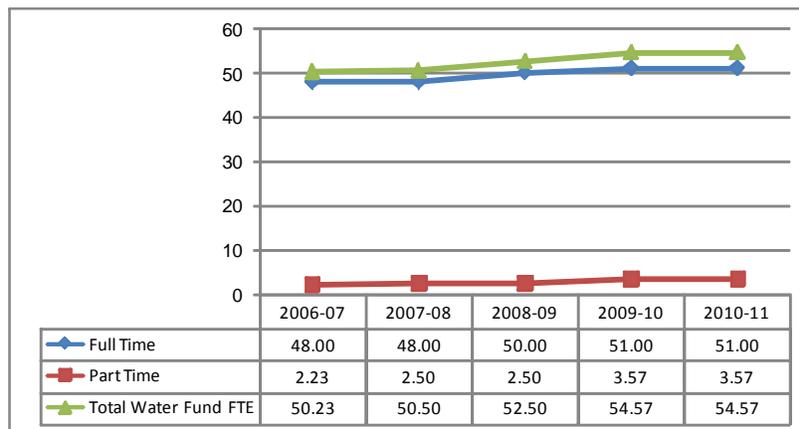
Major Accomplishments in Fiscal Years 2007-09:

- Completed 55% of the Edward I. Barwick Jamieson Canyon Water Treatment Plant.
- Milliken Dam Seismic Upgrade Project.
- Alta Heights Water Storage Tanks (80,000 and 60,000 gallons).
- NBA Raw Water Tanks (two five-million gallon tanks).
- Purchased Yountville’s State Water Project Entitlements.
- Water Main Replacement Program: Walnut Drive and West Pueblo.
- Water Meter Replacement Program.

Expenditure/Budget Trends (In Thousands):



Full Time Equivalent (FTE) Employees:



Water Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Charges for Services	\$ 20,547,080	22,079,540	20,326,290	19,872,351	20,009,864	-2%	20,643,952	3%
Interest on Investments	1,164,845	3,297,675	605,000	600,000	710,417	17%	550,417	(0)
Miscellaneous Revenue	130,091	46,726	125,000	174,944	130,000	4%	130,000	-
Operating Transfers In	44,301,823	58	-	-	-	-	-	-
Revenues Total	66,143,839	25,423,999	21,056,290	20,647,295	20,850,281	-	21,324,369	2%
Category Expenditure Summary								
Salaries and Wages	5,161,281	4,389,823	5,715,846	5,228,943	6,147,977	8%	6,442,289	5%
Materials and Supplies	2,851,271	5,593,155	7,142,806	5,934,679	6,827,221	-4%	7,625,473	12%
Services	3,687,403	2,941,308	6,217,570	4,009,087	2,207,923	-64%	2,271,804	3%
Capital Outlay	2,080,335	39,321	36,913,975	28,875,913	12,114,225	-	3,872,793	-68%
Debt Service	2,552,482	4,528,610	1,984,128	4,262,960	4,165,164	110%	3,795,565	-9%
Operating Transfers Out	45,344,145	1,618,381	1,785,695	1,785,695	1,792,064	-	1,842,826	3%
Operating Expenditures	61,676,917	19,110,598	59,760,020	50,097,277	33,254,574	-	25,850,750	-22%
Net Impact of Operations	\$ 4,466,922	6,313,401	(38,703,730)	(29,449,982)	(12,404,293)	-68%	(4,526,381)	-64%
Nonrecurring Revenues	-	-	-	-	-	-	-	-
Nonrecurring Expenses	-	-	3,300,000	3,300,000	541,000	-84%	178,300	-67%
Net Impact of Nonrecurring	-	-	(3,300,000)	(3,300,000)	(541,000)	-84%	(178,300)	-67%
Net Contribution / (Use)	\$ 4,466,922	6,313,401	(42,003,730)	(32,749,982)	(12,945,293)	-69%	(4,704,681)	-64%
Projected Fund Balance at June 30:		\$ 56,801,152		24,051,170	11,105,877		6,401,196	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Bond funds used for capital expenditures to offset (Use) of contributions from Water Fund.
- Increase in Salaries and Wages due to new/upgraded positions.
- Decrease in Interest on Investments reflects reduced fund balance due to use of bond funds and undesignated reserves and lower rate of return due to economy.
- Increase in Debt Service due to 2007 Revenue Bond payments transitioning to operating budget rather than debt service fund established with bond sale.
- Decreases in Services and Capital Outlay reflect a transition to more appropriate budgeting in Capital Projects and Nonrecurring accounts.
- Reduction in non-recurring costs due to one-time purchase of Yountville water supply for \$3.3M in FY2008-09.

Key Initiatives for Fiscal Years 2009-11:

- Complete Edward I. Barwick Jamieson Canyon Water Treatment Plant.
- Continue the Water Main Replacement Program.
- Conduct a groundwater resources feasibility study.
- Develop a 20-year CIP infrastructure replacement master plan.
- Upgrade Dwyer Road Pump Station.
- Replace C-Tank Valve.
- Replace Transmission Line Valve.
- Enhance water conservation programs addressing statewide drought conditions.

Water Capital Improvement Projects

Water Capital Improvement Projects Overview:

Bond Funds are the primary funding source for the Water Fund CIP in FY2009-10 and FY2010-11. The top priority for the budget cycle is completion of improvements to the Edward I. Barwick Jamieson Canyon Water Treatment Plant remain. In addition, annual infrastructure replacement programs (water mains and meters), transmission system upgrades (valves on 36-inch Conn line and Dwyer Road pump station), and various watershed improvements are featured in the CIP.

Detailed worksheets for the projects shown below are included in the Capital Improvement Program section of the budget document.

Project Type	Project No.	Project Description	2009-10 Proposed	2010-11 Proposed
Supply	WS10PW001	Hennessey Watershed Improvements	160,000	80,000
Supply	WS10PW002	Hennessey Watershed Building Facilities	40,000	35,000
Supply	WS10PW003	Hennessey Solar Security	142,000	-
Supply	WS11PW001	Hennessey Pump Station Painting	-	31,600
Supply Subtotal			342,000	146,600
Treatment	WQ08PW001	Jamieson Canyon WTP Improvements	8,729,009	1,665,929
Treatment	WQ10PW001	Permanent Sampling Stations	40,600	-
Treatment	WQ10PW002	Tank Mixers	30,000	30,000
Treatment Subtotal			8,799,609	1,695,929
Transmission	WT10PW001	Replace Transmission Valves	244,000	-
Transmission	WT10PW002	C Tank Valve	168,000	-
Transmission	WT10PW003	Lakeview Pump Station Valve	60,000	-
Transmission	WT10PW004	Milliken Zone 3 Valve	33,000	-
Transmission	WT10PW005	Dwyer Road Pump Station	500,000	-
Transmission	WT11PW001	Holly Court Electrical Upgrade	-	48,000
Transmission Subtotal			1,005,000	48,000
Distribution	WD10PW007	Corp Yard Building Improvements	150,000	-
Distribution	WD10PW001	Water Main Replacement Projects	951,368	650,000
Distribution	WD10PW002	Automated Meter Reading Program	20,600	78,800
Distribution	WD10PW003	Distribution System Improvements	182,000	185,000
Distribution	WD10PW004	Small Meter Replacement	200,000	220,000
Distribution	WD10PW005	Large Meter Replacement	150,000	155,540
Distribution	WD10PW006	Regulator Lid Replacement	57,600	-
Distribution	WD11PW001	Water System Reconfiguration Improvements	-	240,000
Distribution	WD11PW002	Meter Lid Replacement	-	21,000
Distribution Subtotal			1,711,568	1,550,340
Contributions	FC10PW005	Expand Cleanout Area and Construct Cover	15,000	-
Contributions	MS11FN001	New Water Billing Software	25,000	155,000
Contributions Subtotal			40,000	155,000
TOTAL WATER CIP PROJECTS			11,898,177	3,595,869